



ASX RELEASE

MOKO.mobi signs binding agreement to acquire Paper Tree Limited, the parent company of a UK based mobile entertainment business, subject to approval of MOKO shareholders.

11 November 2011 – Mobile Social Entertainment Company, MOKO.mobi Limited (ASX: MKB) (**MOKO**) today announced that, further to its release on 10 October 2011, the Company has now successfully completed its due diligence and has signed binding documentation with the owners of Paper Tree Limited (PTL) for the acquisition of a UK-based mobile entertainment business. Completion of the acquisition is subject to certain conditions precedent, including MOKO shareholder approval at a meeting to be held in mid-late December 2011.

MOKO has received letters of intent from major shareholders, representing approximately 51% of the total shareholdings in the Company, to vote in favour of the resolutions to approve this acquisition. The directors also propose to vote in favour of the resolutions.

The consideration for the acquisition comprises the issue by MOKO of 12,857,143 ordinary shares (being AUD\$900,000 in MOKO shares at 7c per share) and payment of USD\$1,509,999 in cash on a deferred payment basis (with payment due 6 months after completion of the acquisition).

Acquisition Summary Highlights

- The PTL owned business is a UK based mobile platform provider for mobile content and interaction, enabling MOKO to expand its business to operator channels (B2O), and business to business (B2B); including a proprietary platform for mobile developers to market and monetize device independent HTML5 Apps.
- The PTL Business works with over 70 mobile network operators across 12 countries, with an addressable market of over 1 billion mobile consumers.
- Approx 50% of the target's current business is from emerging markets, with the remaining 50% currently in Europe.
- The PTL Business has a profitable and proven business model.

Background and Benefits to MOKO

MOKO had already committed to setting up an office in the UK to further explore its UK and European carrier relationships; and this acquisition will speed up and enhance that process.

Originally founded in 2003, the PTL Business is an experienced mobile business and has approx. 30 staff. The current business markets include UK, South Africa, Italy, Brazil and South Asia/Pacific.

The PTL Business has its own web app design and development team, content management systems and marketing and CRM teams, which will be highly complimentary to MOKO's current team and will provide MOKO with the necessary resources to grow further in the important UK/European and emerging markets.

The PTL Business has an experienced team and will provide MOKO with new distribution channels and carrier billing relationships that will fast-track MOKO's other business lines, product revenues and overall user-base growth. The PTL Business also has an experienced technical development team that will also enable MOKO's product development to be broadened and expedited.

Revenue and Profitability

The PTL Business is profitable and currently has annual net revenues of approximately USD\$14 million. There are expected cost synergies that will enhance profitability and by completing this acquisition, MOKO's overall path to profit will be significantly shortened and will provide the combined MOKO Group with product development, CRM and marketing skills, and to prepare for further growth in the near future.

MOKO's own core revenues are growing and with this acquisition, the directors believe that the growth will accelerate and it will strengthen MOKO to take advantage of other potential acquisitions in the mobile social entertainment sector.

Outlook

Completing this acquisition will position MOKO as significant mobile social content player with a growing global footprint, well positioned for further growth organically and to aggressively pursue further acquisitions.

Once completed, this will be MOKO's third acquisition in 2011 and will establish an experienced team of industry professionals with the necessary skills to pursue our target of becoming the world's leading mobile social entertainment platform.

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